

## REORGANIZATION OF THE CONTROLLERS

**MOSCOW, RUSSIA – May 12, 2016 – HALS-Development (LSE, MICEX: HALS)**, a major Russian real estate Company announces, that on May 10, 2016 VTB Bank and The Bank of Moscow were successfully reorganized.

The Bank of Moscow has been reorganized in the form of spin-off the Joint-Stock Company “BS Bank (Bank Special)”.

VTB Bank has been reorganized in the form of consolidation with the Joint-Stock Company “BS Bank (Bank Special)”.

**Hals-Development** ("the Company") is the fastest growing developing company, specializing in commercial and residential real estate; it controls all stages of development project: from making conception till the following management of the built object. The main shareholders of the Company are VTB Bank and Bank of Moscow.

The Company was the first Russian property developer to list its shares on the main market of the London Stock Exchange. The Company's shares are also listed on the Moscow Interbank Currency Exchange and the Moscow Exchange.

Starting operations in 1994, Hals-Development has successfully completed about 40 projects with a total area over 600,000 square meters. Hals-Development is currently developing such projects as development of hotel “Peking”, building of Land Plot No. 11, MIBC “Moscow-City”, selling of residential premises of “Nasledie”, “Wine House”, “Peking Gardens”, “Teatralny Dom” and other projects in Moscow and regions. In 2011-2014 the Company put into operation more than 460 thousand sq.m., this is 6 large projects – shopping and entertainment mall “LETO” in Saint-Petersburg” (116 thousand sq. m.), business-center Sky-Light (110 thousand sq. m.), residential complex “Solnce” (60 thousand sq.m.), elite residential quarter “Literator” (67 thousand sq.m.), the shopping center “Children Dreamhouse Mall on Lubyanka” (73 thousand sq.m.) and resort “Kamelia” in Sochi (53 thousand sq.m.). The total value of development projects of HALS-Development is 1.6 mio sq.m.

### **For further information please contact:**

Elizaveta Bekreneva  
Corporate Secretary  
Tel. +7 (495) 589-2222 (ext. 1338)  
bekreneva@hals-development.ru

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